

Texas State Board of Public Accountancy

September 19, 2024

The Texas State Board of Public Accountancy met by video conference and in-person from 10:00 a.m. until 11:05 a.m. on September 19, 2024. A notice of this meeting containing all items on the agenda, in accordance with *Section 551 of the Texas Government Code* was filed with the Office of the Secretary of State at 2:04 p.m. on September 10, 2024. (TRD #2024-005315) (**ATTACHMENT 1**)

Board Members Present

Susan I. Adams, CPA
Christopher "Grant" Coates
Kimberly D. "Kim" Crawford, CPA
Olivia Espinoza-Riley, CPA
Treasurer
Renee D. Foshee, Esq., CPA
Ray R. Garcia, CPA
Executive Committee
Member-at-Large
Jamie D. Grant
Executive Committee
Member-at-Large
Thomas M. Neuhoﬀ, CPA
Debra D. Seefeld, CPA
Presiding Officer
Jeannette P. Smith, CPA
Secretary/Assistant
Presiding Officer
James "Jim" Trippon, CPA
Sheila M. Vallés-Pankratz
Susan M. Warren, CPA

Members Absent

Jill A. Holup
Excused
Sherri B. Merket
Excused

Others Present

Kenneth Besserman, Esq.
Ginger DeLatte
Ben Lansford
Connie Lamirand
Sean McVey
Jodi Ann Ray
Amy Troutman

Staff Present

Paulette Beiter, Esq.
Marissa Brooks
Nicole Duran, CPA
Rhonda Fellner
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Brian O'Neal
Julie Prien
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
Tony Shumway
William Treacy

- I. Ms. Seefeld, Presiding Officer, called the meeting to order at 10:00 a.m. Mr. Treacy called roll and declared a quorum.

Ms. Smith moved to excuse the absence of Jill A. Holup and Sherri B. Merket from the Board meeting. Ms. Espinoza-Riley seconded the motion and it passed unanimously.

- II. Ms. Warren moved to approve the July 11, 2024 Board meeting minutes as presented. Ms. Adams seconded the motion and it passed unanimously.

- III. After a call for public comments, there were no comments from the public.

- IV. Ms. Seefeld, Presiding Officer, reported on the September 18, 2024 (video conference and in-person) Executive Committee meeting.

Members Present

Olivia Espinoza-Riley, CPA
(In-person)
Ray R. Garcia, CPA
Jamie D. Grant
Debra D. Seefeld, CPA
Presiding Officer
(In-person)
Jeannette P. Smith, CPA

Member Absent

Jill A. Holup
Excused

Others Present

Kenneth Besserman, Esq.
Thomas M. Neuhoﬀ, CPA
Jodi Ann Ray

Staff Present

Marissa Brooks
Nicole Duran, CPA
Rhonda Fellner
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
Tony Shumway
William Treacy

- A. Ms. Espinoza-Riley, Treasurer, presented the Board's financial statements. Ms. Smith moved to approve the Board's financial statements as presented. Mr. Neuhoﬀ seconded the motion and it passed unanimously.

B. Ms. Espinoza-Riley presented the Board's other financial matters:

1. Ms. Espinoza-Riley presented the Board's Fee Schedule for FY 2025, with the fees previously included as part of the approved FY 2025 budget, as well as implementation of tiered firm late fees discussed in prior meeting. Ms. Adams moved to approve the Board's Fee Schedule for FY 2025. Mr. Garcia seconded the motion and it passed unanimously.
2. Ms. Espinoza-Riley presented the lists of approved FY 2024 contracts and Mr. Hill presented FY 2025 contracts. No action required.

C. Ms. Seefeld reported on the following NASBA/AICPA matters:

1. NASBA dates of interest
 - 117th Annual Meeting October 27-30, 2024, Orlando, FL
2. NASBA CEO Daniel Dustin Appoints Four to Leadership Team

D. Ms. Seefeld presented the Committee and Board meeting dates for calendar year 2025 and reminded Board members about what constitutes an excused absence.

E. Ms. Vallés-Pankratz moved to approve a request for Cascos and Associates, PC to continue operating as a CPA firm under Board *Rule 513.16 (Death or Incapacitation of Firm Owner)*. Ms. Smith seconded the motion and it passed unanimously.

F. Ms. Seefeld reported on general correspondence coming to the Board's attention.

V. Ms. Adams, Constructive Enforcement Committee Chair, reported on the September 11, 2024 (video conference and in-person) joint Constructive Enforcement Committee and Licensing Committee meeting.

Members Present

Susan I. Adams, CPA
CEC Committee Chair
(In-Person)
Connie B. Clark, CPA
Olivia Espinoza-Riley, CPA
Licensing Committee Chair
(In-Person)
Renee D. Foshee Esq., CPA
Kathy Kabell, CPA
Thomas M. Neuhoﬀ, CPA
Rene D. Peña, CPA
Debra Seefeld, CPA
Presiding Officer
(In-Person)
Jeannette P. Smith, CPA

Members Absent

Jamie D. Grant
Sherri B. Merket

Others Present

Frank McElroy

Staff Present

Paulette Beiter, Esq.
Marissa Brooks
Jay Franco
Kiana Goldman
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
Kyle McGaw
Marisa Rios
Lori Shaw
William Treacy

A. Ms. Adams, reported that the staff presented background information and historical context for the Unauthorized Practice of Public Accountancy (UPPA) program and the committee discussed current Constructive Enforcement Committee processes.

B. Ms. Adams, reported that the committee reviewed several issues: unlicensed firms offering accounting services, CPAs offering and/or performing accounting services in unlicensed firms, CPA firms disclosing their association with an unlicensed firm providing accounting services (Board *Rule 518.5*), and CPAs using their CPA credential in association with an unlicensed firm (Board *Rule 501.81*). No action required.

Ms. Espinoza Riley, Licensing Committee Chair, noted the committee recommended Board staff continue to enforce the UPPA program under current compliance standards and review Board *Rule 501.81(c)*.

- VI. Ms. Smith, Behavioral Enforcement Committee chair, reported on the August 7, 2024 (video conference and in-person) Behavioral Enforcement Committee meeting:

Members Present

Susan I. Adams, CPA
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Robert Ogle, CPA
Jeannette P. Smith, CPA
Committee Chair

Member Absent

Jill A. Holup

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.

A. Dismissals – Insufficient evidence

Mr. Neuhoff moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Crawford seconded the motion and it passed. The above listed BEC committee members did not participate in any discussion or the vote.

1. Investigation No. 24-05-05L¹
2. Investigation Nos. 24-05-10L¹ and 24-05-11L¹
3. Investigation Nos. 24-06-06L¹ and 24-06-07L¹
4. Investigation No. 24-05-09L¹
5. Investigation Nos. 24-07-04L¹ and 24-07-05L¹

B. Other - The committee considered several other matters during its meeting; however, no action is required.

- VII. Mr. Garcia, Technical Standards Review Committee Chair, reported on the July 24, 2024 (video conference and in-person) Technical Standards Review committee meeting:

Members Present

Kimberly Crawford, CPA
Ray R. Garcia, CPA
Committee Chair
Douglas Koval, CPA
Dilliana Stewart, CPA
Sheila Vallés-Pankratz
Juliet Williams, CPA

Members Absent

Jamie Grant
Susan Warren, CPA

Staff Present

J. Randel Hill, Esq.
John Moore, Esq.

A. Dismissals – Insufficient evidence

Ms. Foshee moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Espinoza-Riley seconded the motion and it passed. The above listed TSR committee members did not participate in any discussion or the vote.

- Investigation Nos. 24-05-01L² and 24-05-02L²

B. Other - The committee considered other matters during its meeting; however, no action is required.

- VIII. The Board took the following actions on agreed consent orders (ACOs), and administrative disciplinary actions.

A. **Agreed Consent Orders:**

Ms. Foshee moved to approve the following ACOs as presented. Mr. Grant seconded the motion and it passed unanimously.

Behavior Enforcement Committee

1. Investigation Nos.:	23-09-02L ¹ & 23-09-03L ¹	Hometown:	Humble, TX
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Respondents:	Christopher Michael Brown & Christopher M. Brown, CPA	Certificate No.:	080460
Rule Violations:	501.74(b), 501.93	Firm License No.:	T07965
Act Violations:	901.502(6), 901.502(11)		

Respondents entered into an ACO with the Board whereby Respondents' certificate and license, and firm license were revoked, however, the revocation was stayed and Respondents were placed on probation for two years. In addition, Respondent Brown must pay \$1,331.41 in administrative costs within 30 days of the date of the Board Order, and assist the Complainant in resolving any issues that may arise with the Internal Revenue Service (IRS) regarding the returns at issue.

Respondents failed to address and resolve an issue for a client whose company returns, prepared and filed by Respondent Brown, were rejected by the IRS. In addition, Respondent Brown failed to timely respond to Board communications.

2. Investigation No.:	24-03-02L¹	Hometown:	Burleson, TX
Respondent:	Benjamin Wade Johns	Certificate No.:	093379
Rule Violation:	501.74(b)		
Act Violation:	901.502(6)		

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and ordered to pay an administrative penalty of \$1,000 and \$1,083.68 in administrative costs within 30 days of the date of the Board Order.

Respondent failed to complete and file a client's tax return in a timely manner.

3. Investigation Nos.:	24-02-02L¹ & 24-02-03L¹	Hometowns:	Grand Prairie & Lancaster, TX
Respondents:	Ricky Jerome Simmons & Rick J. Simmons CPA, P.C.	Certificate No.:	070321
		Firm License No.:	C09111
Rule Violations:	501.74(b), 501.90(13)		
Act Violation:	901.502(6)		

Respondents entered into an ACO with the Board whereby Respondents were reprimanded and ordered to pay an administrative penalty of \$1,000 and \$951.69 in administrative costs within 60 days of the date of the Board Order. In addition, Respondent shall complete eight hours of continuing professional education (CPE) in the area of practice before the IRS, as well as eight hours of CPE in the area of IRAs and retirement plans. Respondents must reimburse Complainants \$12,407.09 for penalties assessed against Complainant by the IRS within 60 days of the date of the Board Order.

Respondents inaccurately reported a 1099R distribution as nontaxable on a client's tax return resulting in penalties being assessed against the client. In addition, Respondent Simmons mislead his clients into believing the matter could be resolved in their favor and that an insurance claim to address the matter had been filed with his carrier.

4. Investigation No.:	24-03-01L¹	Hometown:	Lufkin, TX
Respondent:	Allen Daniel Lyons	Certificate No.:	085557
Rule Violations:	501.74(b), 501.90(2), 501.90(10)		
Act Violations:	901.502(6), 901.502(11)		

Respondent entered into an ACO with the Board whereby Respondent was reprimanded. In addition, Respondent must reimburse the complainant \$5,000, pay \$969.63 in administrative costs, and take eight hours of CPE in the area of controller services and four hours of CPE in the area of ethics.

Respondent failed to prepare, in some instances, payroll and unemployment tax returns for his employer, to submit forms 1094-C and 1095-C for his employer, and to assist in the completion of 401(k) compliance audits for his employer.

Ms. Foshee moved to approve the following ACOs as presented. Mr. Neuhooff seconded the motion and it passed unanimously.

Technical Standards Review Committee

1. Investigation Nos.:	23-11-12L² & 23-11-13L²	Hometown:	Houston, TX
Respondent:	Marcum LLP	Firm License No.:	P05687

Rule Violation: 501.90(7)
Act Violation: 901.502(6)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed an administrative penalty of \$450,000 and administrative costs of \$5,059.74 to be paid within 30 days of the date of the Board Order.

Respondent was sanctioned by the Securities and Exchange Commission and the Public Company Accounting Oversight Board (PCAOB) for its systematic failure of quality control and for its failure to meet professional standards in numerous audits. Respondent was censured, assessed a civil money penalty totaling \$13 million, and required to take remedial action.

2. **Investigation No.:** 23-12-06L² **Hometown:** Webster, TX
Respondent: RP & Company CPA'S PLLC **Firm License No.:** C05439
Rule Violations: 501.60, 501.61, 527.4
Act Violations: 901.159, 901.502(6), 901.502(11)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed an administrative penalty of \$15,000 and administrative costs of \$652.68 to be paid within 30 days of the date of the Board Order. Respondent was placed on limited scope prohibiting performing audits, compilations, and reviews. Respondent is required to obtain an accelerated peer review and upon receipt of a rating of pass, would be allowed to perform reviews and compilations with a pre-issuance review by a pre-issuance reviewer approved by the Chair of the TSR Committee. In addition, Respondent is required to notify all clients within 30 days of the date of the Board Order of any audits, compilations and reviews that were performed while the Respondent was not properly licensed and enrolled in a peer review program. Respondent is also required to remediate the invalid engagements within 60 days of the date of the Board Order by either reimbursing engagement fees paid to them by their client, or with the client's permission and pursuant to the limited scope conditions set forth in this order, reissuing the audit, review or compilation with a pre-issuance review.

Respondent failed to complete peer reviews after being enrolled in the AICPA Peer Review Program and while being dropped from that program on several occasions from 2016 to 2023. Respondent issued audits, compilations and reviews without completing a peer review between 2016 and 2023.

3. **Investigation Nos.:** 24-05-03L² & 24-05-04L² **Hometowns:** Round Rock & Austin, TX
Respondents: Chukwu Lewechi Iheke & Chuks L. Iheke **Certificate No.:** 093664
Accountancy Corporation **Firm License No.:** C07267
Rule Violations: 501.60, 501.61, 501.90(6)
Act Violations: 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby Respondents were reprimanded and placed on limited scope requiring pre-issuance review of any audits, compilations and reviews until the limitation is lifted by the Board. In addition, Respondents would be assessed an administrative penalty of \$2,500 and administrative costs of \$652.68 to be paid within 30 days of the date of the Board Order.

Respondent Iheke surrendered his license to the California Board of Accountancy in settlement of an enforcement action against him. Respondent allegedly was grossly negligent in an audit engagement with a California company, allegedly issued false and materially misleading financial statements, was allegedly repeatedly negligent in the engagement by departing from Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards, allegedly failed to obtain sufficient and appropriate audit documentation, and allegedly failed to obtain a peer review.

4. **Investigation No.:** 23-12-05L² **Hometown:** Houston, TX
Respondent: Victor Mokuolu CPA PLLC **Firm License No.:** C10829
Rule Violations: 501.60, 501.90(7)
Act Violations: 901.502(6), 901.502(9)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded, assessed an administrative penalty of \$15,000 and administrative costs of \$811.57 to be paid within 30 days of the date of the Board Order, and required to provide the Board with a copy of its written compliance required under the PCAOB order within 30 days of submission to the PCAOB.

Respondent was sanctioned by the PCAOB for failing to timely file six required Form AP's with the PCAOB. Respondent was censured, assessed a \$30,000 civil money penalty, and required to take remedial action.

B. Administrative Disciplinary Actions:

Ms. Warren moved to approve the following Administrative Disciplinary Actions as presented. Ms. Adams seconded the motion and it passed unanimously.

1. Respondents: In the Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the *Act*. Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. **(ATTACHMENT 2)**

No Board committee considered these actions.

Investigation Numbers

1. 24-04-10001 - 24-04-10090
2. 24-05-10001 - 24-05-10068

2. Respondents: In the Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules* and *Act Section 901.411 (Continuing Professional Education)*. The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)* and *523.111 (Required CPE Reporting)*, and *Act Section 901.411*. **(ATTACHMENT 3)**

No Board committee considered these actions.

Investigation Numbers

3. 24-04-10091 - 24-04-10265
4. 24-05-10069 - 24-05-10211

3. Respondents: In the Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice

The Respondents failed to complete their license renewal notices in accordance with Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the *Act*. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. **(ATTACHMENT 4)**

No Board committee considered these actions.

Investigation Numbers

5. 24-04-10266 - 24-04-10283
6. 24-05-10212 - 24-05-10230

- IX. Ms. Foshee moved to adopt the following Board *Rules* as presented. Ms. Espinoza-Riley seconded the motion and it passed unanimously. **(ATTACHMENT 5)**

1. *Section 511.161 (Qualifications for Issuance of a Certificate)*
2. *Section 520.1 (Authority and Purpose)*
3. *Section 520.2 (Definitions)*
4. *Section 520.3 (Institutions)*
5. *Section 520.4 (Eligible Students for the Accounting Students Scholarship Program)*
6. *Section 520.5 (Award Amount and Uses for the Accounting Students Scholarship Program)*
7. *Section 520.6 (Allocations for the Accounting Students Scholarship Program)*
8. *Section 520.7 (Disbursements to Institutions for the Accounting Students Scholarship Program)*
9. *Section 520.8 (Retroactive Disbursements for the Accounting Students Scholarship Program)*
10. *Section 520.11 (Eligible Applicants for Examination Fee Financial Aid (EFFA) Program) (New Rule)*
11. *Section 520.12 (Award Amounts and Uses Through the Examination Fee Financial Aid (EFFA) Program) (New Rule)*
12. *Section 520.13 (Documentation for the Examination Fee Financial Aid (EFFA) Program) (New Rule)*

- X. Ms. Crawford moved to approve the following new slate of officers and Executive Committee member-at-large. Ms. Warren seconded the motion and it passed unanimously.

Jeannette P. Smith, CPA	Assistant Presiding Officer
Olivia Espinoza-Riley, CPA	Treasurer
Renee Foshee, Esq., CPA	Secretary
Jamie Grant	Executive Committee member-at-large
Ray Garcia, CPA	Executive Committee member-at-large

- XI. Mr. Garcia, Ad Hoc Licensure Pathways Committee Chair, reported on the following Ad Hoc Licensure Pathways committee meetings:

August 20, 2024 (Video conference and in-person)

Members Present	Others Present	Staff Present
Renee D. Foshee, Esq., CPA (In-Person)	Kenneth Besserman, Esq.	Marissa Brooks
Ray G. Garcia, CPA <i>Committee Chair</i> (In-Person)	Dan Dustin, CPA	J. Randel Hill, Esq.
Jamie D. Grant	Jodi Ann Ray	Ann Hallam, PMP
Thomas M. Neuhoﬀ, CPA	Marta Zaniewski	Donna Hiller
Debra D. Seefeld, CPA <i>Ex Officio</i>		Kyle McGaw
Jeannette P. Smith, CPA		Brian O'Neal
		Marisa Rios
		Lorna Schwimmer-Staggs, CPA
		Lori Shaw
		William Treacy

- Mr. Garcia reported that the committee received updates on licensure pathways, mobility, and defining competencies from Dan Dustin (NASBA) and Marta Zaniewski (AICPA/CIMA). Jodi Ann Ray (TXCPA) discussed a statewide pipeline strategy and changes to the UAA process, while Kenneth Besserman (TXCPA) mentioned potential legislative bills for 2025.

September 12, 2024 (Video conference and in-person)

Members Present	Others Present	Staff Present
Renee D. Foshee, Esq., CPA (In-person)	Kent Absec	Marissa Brooks
Ray R. Garcia, CPA <i>Committee Chair</i>	Kenneth Besserman, Esq.	Paulette Beiter, Esq.
Jamie D. Grant	Donald Deis	Nicole Duran, CPA
Thomas M. Neuhoﬀ, CPA	Ginger DeLatte	J. Randel Hill, Esq.
Debra D. Seefeld, CPA <i>Acting Committee Chair</i>	Mohan Kurvilla	Donna Hiller
<i>Ex Officio</i> (In-person)	Joshua LeBlanc	Kyle McGaw
Jeannette P. Smith, CPA	Shicoyia Morgan	John Moore, Esq.
	Jodi Ann Ray	Brian O'Neal
		Marisa Rios
		Lorna Schwimmer-Staggs, CPA
		Lori Shaw

Tony Shumway
William Treacy

- A. Mr. Garcia reported that the committee discussed the proposed legislation drafted by the TXCPA to be filed in the next legislative session. Jodi Ann Ray from TXCPA discussed the organization's approach concerning Mobility, Licensure Pathways, other states' approaches to Licensure Pathways, and Substantial Equivalency. The committee aims to ensure that the proposed legislation includes the necessary guardrails and safeguards to protect the public interest.
 - B. Mr. Garcia reported that the committee received a summary of the Texas CPA Licensure Survey 2024. Ms. Schwimmer-Staggs presented the statistical analysis of the answers provided by CPAs. Ms. Hiller presented the statistical analysis of the answers provided by educators. Ms. Brooks presented the overall results of the entire survey concerning automatic mobility.
 - C. The committee will reconvene to discuss the Exposure Draft on the CPA Competency-Based Experience Pathway and the impending changes to the Uniform Accountancy Act. The committee intends to prepare a report on the drafts to the November Board meeting for the Board's approval. The date of the next committee meeting is to be determined.
- XII. Ms. Seefeld reviewed the meeting schedule for the year.
- XIII. Ms. Espinoza-Riley moved to adjourn, Ms. Smith seconded the motion, the meeting adjourned 11:05 a.m.

ATTEST:

Debra D. Seefeld, CPA, Presiding Officer

Renee Foshee, Esq., CPA, Secretary

¹Ms. Adams, Ms. Holup, and Ms. Smith recused themselves from participating in this matter.

²Ms. Crawford, Mr. Garcia, Mr. Grant, Ms. Vallés-Pankratz, and Ms. Warren recused themselves from participating in this matter.